

## **INTERNAL SERVICE FUNDS**

### **WEBB COUNTY EMPLOYEES' HEALTH BENEFITS**

An internal service fund used to account for Webb County employees' medical and dental premiums and payments.

### **WORKER'S COMPENSATION RESERVE FUND**

An internal service fund used to account for Webb County's self insurance of workmen's compensation premiums and payments.

Webb County, Texas  
Combining Statement of Net Assets  
Internal Service Funds  
September 30, 2005

	<u>Employees Health</u> <u>Benefits</u>	<u>Workers</u> <u>Compensation</u> <u>Reserve</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,455,038	\$ 3,204,804	\$ 4,659,842
Due from other funds	2,397,465	-	2,397,465
Total current assets	<u>3,881,779</u>	<u>3,204,804</u>	<u>7,086,583</u>
Non-current assets:			
Capital Assets:			
Equipment and Furniture	60,128	23,940	84,068
Less Accumulated depreciation	(49,423)	(23,940)	(73,363)
Total non-current assets	<u>10,705</u>	<u>-</u>	<u>10,705</u>
Total assets	<u>3,892,484</u>	<u>3,204,804</u>	<u>7,097,288</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	903,808	95,920	999,728
Due to other funds	2,333,108	2,196,849	4,529,957
Other Accrued expenses	29,170	7,550	36,720
Compensated absences	-	22,812	22,812
Total current liabilities	<u>3,266,086</u>	<u>2,323,131</u>	<u>5,589,217</u>
Non-current liabilities:			
Claims and judgments	615,692	681,672	1,297,364
Total non-current liabilities	<u>615,692</u>	<u>681,672</u>	<u>1,297,364</u>
Total liabilities	<u>3,881,778</u>	<u>3,004,803</u>	<u>6,886,581</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	10,705	-	10,705
Unrestricted	-	200,001	200,001
Total net assets	<u>\$ 10,705</u>	<u>\$ 200,001</u>	<u>\$ 210,706</u>

**Webb County, Texas**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the Year Ended September 30, 2005**

	<u>Employees Health</u> <u>Benefits</u>	<u>Workers</u> <u>Compensation</u> <u>Reserve</u>	<u>Total</u>
<b>REVENUES</b>			
Charges for services	\$ 6,230,193	\$ 1,994,468	\$ 8,224,661
Total operating revenues	<u>6,230,193</u>	<u>1,994,468</u>	<u>8,224,661</u>
<b>OPERATING EXPENSES</b>			
Contractual services	-	43,295	43,295
Other supplies and expenses	-	9,118	9,118
Insurance claims and expenses	7,548,134	381,247	7,929,381
Depreciation	8,069	-	8,069
Total operating expenses	<u>7,556,203</u>	<u>433,660</u>	<u>7,989,863</u>
Operating income (loss)	<u>(1,326,010)</u>	<u>1,560,808</u>	<u>234,798</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest and investment revenue	10,091	79,254	89,345
Total non-operating revenue (expenses)	<u>10,091</u>	<u>79,254</u>	<u>89,345</u>
Income (loss) before contributions and transfers	(1,315,919)	1,640,062	324,143
Capital contributions	-	-	-
Transfers in	2,351,114	-	2,351,114
Transfers out	-	(3,068,725)	(3,068,725)
Change in net assets	<u>1,035,195</u>	<u>(1,428,663)</u>	<u>(393,468)</u>
Total net assets - beginning	(1,024,490)	1,628,664	604,174
Total net assets - ending	<u>\$ 10,705</u>	<u>\$ 200,001</u>	<u>\$ 210,706</u>

**Webb County, Texas**  
**Webb County Employees' Health Benefits**  
**Schedule of Revenues and Expenses - Budget and Actual - (Budget Basis)**  
**and Changes in Net Assets**  
**Year Ended September 30, 2005 with Comparative Figures**  
**for Year Ended September 30, 2004**

	Budgeted Amounts		Actual		Variance with	Total
	Original	Final	Amounts	Budget Basis	Final Budget-- Positive (Negative)	Prior Year As Of 9/30/04
<b>OPERATING REVENUES:</b>						
Charges For Services	\$ 4,933,980	4,933,980	4,813,488	4,813,488	(120,492)	5,062,446
Charges For Services-Employees	1,085,969	1,085,969	1,416,705	1,416,705	330,736	954,421
Total Operating Revenues	<u>\$ 6,019,949</u>	<u>6,019,949</u>	<u>6,230,193</u>	<u>6,230,193</u>	<u>210,244</u>	<u>6,016,867</u>
<b>OPERATING EXPENSES:</b>						
Current:						
Office Supplies	\$					
Blue Cross/Blue Shield Ad	900,000	959,522	959,523	959,523	(1)	893,362
Cafeteria Plan Sec 125 Ad	20,000	16,958	16,958	16,958		12,982
Cobra Administration Fees	2,500	900	900	900		300
Basic Life Insurance	62,000	56,957	56,956	56,956	1	59,310
Depreciation Expense		8,070	8,069	8,069	1	11,052
Health Education Program	5,000	4,191	4,190	4,190	1	2,355
Health Fair Month	5,000	5,757	5,757	5,757		4,212
Claims Paid	3,775,449	3,899,685	5,435,944	5,435,944	(1,536,259)	4,984,141
Claims Paid-Dental	350,000	358,002	358,001	358,001	1	395,591
Claims Paid-Prescriptions	900,000	709,907	709,907	709,907		789,677
Total Operating Expenses	<u>\$ 6,019,949</u>	<u>6,019,949</u>	<u>7,556,205</u>	<u>7,556,205</u>	<u>(1,536,256)</u>	<u>7,152,982</u>
Operating Income (Loss)			<u>(1,326,012)</u>	<u>(1,326,012)</u>	<u>(1,326,012)</u>	<u>(1,136,115)</u>
<b>NON-OPERATING REVENUES</b>						
Interest	\$		10,091	10,091	10,091	4,633
Total Non-Operating Revenues	<u>\$</u>		<u>10,091</u>	<u>10,091</u>	<u>10,091</u>	<u>4,633</u>
<b>OPERATING INCOME BEFORE OPERATING TRANSFERS</b>	\$		(1,315,921)	(1,315,921)	(1,315,921)	(1,131,482)
Operating Transfers In			2,351,114	2,351,114	2,351,114	
Change in net assets	\$		1,035,193	1,035,193	1,035,193	(1,131,482)
Add Depreciation on fixed assets acquired through capital projects grants that reduces contributed capital.						
Income(Loss)	<u>\$</u>		<u>1,035,193</u>	<u>1,035,193</u>	<u>1,035,193</u>	<u>(1,131,482)</u>
Total net assets - beginning			(1,024,488)			106,994
Total net assets - ending			<u>\$ 10,705</u>			<u>(1,024,488)</u>

**Webb County, Texas**  
**Webb County Worker's Compensation Reserve Fund**  
**Schedule of Revenues and Expenses - Budget and Actual - (Budget Basis)**  
**and Changes in Net Assets**  
**Year Ended September 30, 2005 with Comparative Figures**  
**for Year Ended September 30, 2004**

	Budgeted Amounts		Actual	Actual	Variance with	Total
	Original	Final	Amounts	Budget Basis	Final Budget-- Positive (Negative)	Prior Year As Of 9/30/04
<b>OPERATING REVENUES:</b>						
Charges For Services And Refunds	\$ 1,968,849	1,968,849	1,994,468	1,994,468	25,619	2,178,235
Total Operating Revenues	\$ 1,968,849	1,968,849	1,994,468	1,994,468	25,619	2,178,235
<b>OPERATING EXPENSES:</b>						
Current:						
Wages And Fringe Benefits	\$					3,834
Professional Services	40,000	28,934	28,933	28,933	1	21,324
Professional Services Drug/Alcohol Test	35,000	14,361	14,362	14,362	(1)	1,189
Bonds And Insurance	10,000	9,119	9,118	9,118	1	61,444
Worker's Compensation Premium	75,000	84,077	84,077	84,077		39,391
Third Party Administration	57,800	33,698	33,698	33,698		3,019
Safety Education Program						981,155
Claims Paid Major Medical	572,000	263,473	263,472	263,472	1	1,111,356
Total Operating Expenses	\$ 789,800	433,662	433,660	433,660	2	1,066,879
Operating Income (Loss)	\$ 1,179,049	1,535,187	1,560,808	1,560,808	25,621	
<b>NON-OPERATING REVENUES</b>						
Interest	\$ 20,000	20,000	79,254	79,254	59,254	34,724
Total Non-Operating Revenues	\$ 20,000	20,000	79,254	79,254	59,254	34,724
<b>OPERATING INCOME BEFORE OPERATING TRANSFERS</b>	\$ 1,199,049	1,555,187	1,640,062	1,640,062	84,875	1,101,603
Operating Transfers Out to:						(790,000)
General Fund	\$ (790,000)	(790,000)	(790,000)	(790,000)		
Employee's Health Benefit Fund	(150,000)	(506,138)	(2,278,725)	(2,278,725)	(1,772,587)	(790,000)
Total Operating Transfers	(940,000)	(1,296,138)	(3,068,725)	(3,068,725)	(1,772,587)	
Change in net assets	\$ 259,049	259,049	(1,428,663)	(1,428,663)	(1,687,712)	311,603
Add Depreciation on fixed assets acquired through capital projects grants that reduces contributed capital.						
Income(Loss)	\$ 259,049	259,049	(1,428,663)	(1,428,663)	(1,687,712)	311,603
Total net assets - beginning			1,628,663			1,317,060
Total net assets - ending			\$ 200,000			1,628,663

**Webb County, Texas**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**Year Ended September 30, 2005**

	Webb County Employees Health Benefits	Webb County Worker's Compensation Reserve Fund	Total 2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Premiums from participants	\$ 6,230,193	\$ 1,994,468	\$ 8,224,661
Payments to vendors, suppliers, and insurance administrators	<u>(7,299,570)</u>	<u>1,289,854</u>	<u>(6,009,716)</u>
Net cash provided by operating activities	<u>(1,069,377)</u>	<u>3,284,322</u>	<u>2,214,945</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Interfund Transfer			
Operating Transfer In	2,351,114		2,351,114
Transfer Out		<u>(3,068,725)</u>	<u>(3,068,725)</u>
Net cash provided by non capital financing activities	<u>2,351,114</u>	<u>(3,068,725)</u>	<u>(717,611)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of assets			
Net cash provided by capital financing activities			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment earnings	<u>10,091</u>	<u>79,254</u>	<u>89,345</u>
Net cash provided by investing activities	<u>10,091</u>	<u>79,254</u>	<u>89,345</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>1,291,828</u>	<u>294,851</u>	<u>1,586,679</u>
Cash and pooled investments, beginning of year	<u>163,209</u>	<u>2,909,952</u>	<u>3,073,161</u>
Cash and pooled investments, end of year	\$ <u><u>1,455,037</u></u>	\$ <u><u>3,204,803</u></u>	\$ <u><u>4,659,840</u></u>
<b>Reconciliation of operating income to net cash provided (used) by operations:</b>			
Operating income	\$ (1,326,012)	\$ 1,560,808	\$ 234,796
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	8,069		8,069
(Increase) Decrease in Due from Other Funds	(2,389,317)		(2,389,317)
(Increase) Decrease in Accounts Receivable	(25,548)		(25,548)
Increase (Decrease) in Accounts Payable	29,170	23,860	53,030
Increase (Decrease) in Accrued Liabilities	394,178		394,178
Increase (Decrease) in Other Payable		(21,240)	(21,240)
Increase (Decrease) in Due to Other Funds		2,081,196	2,081,196
Increase (Decrease) in Funds Held In Trust	2,240,083		2,240,083
Increase (Decrease) in Long Term Risk Liability		<u>(360,302)</u>	<u>(360,302)</u>
Total adjustments	<u>256,635</u>	<u>1,723,514</u>	<u>1,980,149</u>
Net cash provided by operating activities	\$ <u><u>(1,069,377)</u></u>	\$ <u><u>3,284,322</u></u>	\$ <u><u>2,214,945</u></u>